

Message Text

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S/S-O: TWOHIE

NEA: SBUTCHER

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FOLLOWING REPEAT JIDDA 2420 ACTION SECSTATE INFO DHAHRAN
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C O N F I D E N T I A L JIDDA 2420

E.O. 11652: GDS

TAGS: EFIN, RDEV, SA

SUBJ: SAUDIS STILL STUDYING USG/SAG AGREEMENT PROPOSALS

REF JIDDA 1892

BEGIN SUMMARY: SAUDI PLANS FOR U.S./SAUDI AGREEMENT
PROPOSALS STILL LARGELY UNDECIDED AND UNWRITTEN. SEVERAL
IDEAS OR THEMES ARE SURFACING IN WHICH WE ANTICIPATE
THEY MAY SUGGEST USG INVOLVEMENT. IT SHOULD BE LEFT TO
SAUDIS PERHAPS TO TAKE LEAD IN RAISING TOPICS WITH
US, BUT WE SHOULD BE PREPARED TO REPLY PROMPTLY IN
FORTHCOMING WAY. END SUMMARY.

1. DISCUSSIONS APRIL 29 WITH THREE KEY TECHNICIANS WITHIN
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SAG INDICATED NO FORMAL PROPOSAL OF A SPECIFIC NATURE

FOR USG/SAG CHARTER RELATIONSHIP HAS YET BEEN DRAFTED
FOR CONSIDERATION BY PRINCE FAHD. HOWEVER, SEVERAL
IDEAS ARE BEING DISCUSSED:

A. TRAINING AND MANPOWER.

BOTH NAZER AND MINISTER OF STATE ABD AL-AZIZ QURAYSHI
HIGHLIGHTED NEED FOR PRACTICAL APPROACH TO MANPOWER DEVELOPMENT
WITH SOPHISTICATED PLANNING AND EQUIPMENT. BOTH DESCRIBED NEED
FOR COMBINED USG STUDY AND POSSIBLE JOINT PUBLIC-/PRIVATE IMPLE-
MENTATION. QURAYSHI SUGGESTED FULL SCALE SISTER UNIVERSITIES BE
FOUND FOR EACH OF THE MAJOR SAUDI HIGHER INSTITUTIONS AND FULL
SCALE EXCHANGE OF PROFESSORS AND STUDENTS WITH ON-GOING EXCHANGE
PROGRAMS AND RESEARCH CENTERS BEING PHASED IN. QURAYSHI SUGGESTED
THIS MIGHT INCLUDE SOME PROVISION FOR FOREIGN RESEARCH AND STUDIES
OF DEVELOPMENT ON SOCIO-ECONOMIC BEHAVIOR PATTERNS. HE SPECULATED
THAT A JOINT COMMISSION ON THE SOCIAL SCIENCES MIGHT BE POSSIBLE.
ALL CIVILIAN MINISTERS ARE CONCERNED BY DRAIN OFF OF LABOR SOURCES
INTO THE DEFENSE AREA.

TAHER POINTED OUT CAPITAL INTENSIVE INDUSTRIES WOULD
REQUIRE 120,000 BLUE AND WHITE COLLAR WORKERS IN THE NEXT TEN YEARS,
65 PERCENT OF THEM BLUE COLLAR, WITH A NEED FOR FULL SCALE TRADE
SCHOOLS AND VOCATIONAL INSTITUTIONS FROM GRADE 1 THROUGH 9.
REMAINING WOULD REQUIRE COMMERCIAL, BUSINESS, AND MANAGEMENT
TRAINING. HE ESTIMATES 60 PERCENT OF GRADUATES OF PRIMARY
SCHOOLS WILL NEED TO BE FUNNELED INTO TECHNICAL
FIELDS (DEVELOPMENT SURVEY NOW UNDERWAY SHOULD BE COORDINATED WITH
MANPOWER WORKING GROUP). (TAHER REVEALED THAT HE HAS SIGNED OR IS
SOON TO SIGN A MAJOR CONSULTING CONTRACT WITH ARTHUR D. LITTLE WHO
WILL BECOME CENTRAL COORDINATOR OF FOUR MAJOR CONSULTING GROUPS TO
PLAN INFRASTRUCTURE IN FIVE MAJOR INDUSTRIAL ESTATES AND FIVE
MINOR ONES. ENGINEERING CONSULTANTS WILL DEAL ONLY WITH TECHNICAL
GAPS AND WILL NOT GO INTO SOCIO-ECONOMIC NEEDS OF NEW INDUSTRIAL-
IZATION PROGRAM.

B. SOCIAL SERVICES

(1) PILGRIMAGE INFRASTRUCTURE: CENTRAL PLANNING PRESIDENT INDI-
CATES INTEREST IN A FORM OF "OPERATION CRESCENT" BY USG AIMED
TO RATIONALIZING AND PLANNING INFRASTRUCTURE FOR MASSIVE PILGRIMAGES
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EXPECTED BY LATE SEVENTIES. NAZER SPECIFICALLY MENTIONED CORPS OF
ENGINEERS AS POSSIBLE AGENCY FOR THIS MECCA, MEDINA, JIDDA
TRIANGLE PROJECT. (THIS UNSOLICITED SUGGESTION SHOULD BE RE-
SEARCHED HAVING IN MIND ROBERT MATTHEWS CONSULTING ENGINEERING'S
CONFIDENTIAL STUDY ON THE HAJ SUBMITTED AS A DOCUMENT TO THE DEPART-
MENT ONE YEAR AGO, JIDDA A-023 28 FEB 74.)

(2) HOUSING AND MUNICIPAL PLANNING: NAZER SET HIGH PRIORITY ON

HOUSING AND LACK OF PROGRAM ON THIS FRONT AND--
TO A LESSER EXTENT--ON MUNICIPAL PLANNING; MAY CAUSE SAG TO SEEK USG
HELP IN THIS AREA. HE SPECIFICALLY SAID SAG WOULD NOT WELCOME
MISSIONS; THERE HAD BEEN TOO MANY OF THEM ALREADY, BUT HE WOULD
WELCOME STUDIES MADE BY US EXPERTS FOLLOWED BY DISCUSSIONS WITH
CENTRAL PLANNING AND OTHER MINISTRY REPRESENTATIVES HEREIN SAUDI
ARABIA.

C. INDUSTRIALIZATION

(1) FERTILIZER WORKING GROUP: GOVERNOR ABDUL HADY TAHER OF PETROMIN
URGES USG/SAG "FOOD FOR THE WORLD PROGRAM" BASED ON MASSIVE
FERTILIZER PLANTS UTILIZING SAUDI GAS. A U.S. TEAM COULD PROVIDE
ESTIMATES ON FUTURE FERTILIZER NEEDS AND HELP WORK OUT TECHNICAL
STRAINS OF PRODUCTION, MIX, IN COOPERATION WITH SAUDIS.

(2) ARTIFICIAL TEXTILES: GOVERNOR TAHER PROPOSES A "TEXTILES FOR
THE WORLD" PROGRAM BASED ON A REGIONAL POLYCHEMICAL CAPITAL
INTENSIVE INDUSTRY IN SAUDI ARABIA AND ESTABLISHMENT OF THE
TEXTILE INDUSTRIES THEMSELVES IN EGYPT AND OTHER LABOR INTENSIVE
MARKETS. (THIS COULD WELL BE PART OF WESTERN PROVINCE INDUSTRIAL-
IZATION PROPOSAL AND RED SEA INDUSTRIAL AND AGRICULTURAL INTEGRATION.

(3) SUPPLY WORKING GROUP: THIS GROUP WOULD ATTEMPT TO FIND
CRITICAL MATERIALS IN SHORT SUPPLY FOR HIGH PRIORITY INDUSTRIAL-
IZATION EFFORT. THIS SUGGESTION BY TAHER IS RELATED TO FERTILIZER
AND PETROCHEMICAL DEVELOPMENT.

(4) COMMUNICATIONS WORKING GROUP: BOTH QURAYSHI AND NAZER FELT
THAT HELP WAS NEEDED IN CONCEIVING A FOLLOW-ON TO THE PRESENT
COAXIAL CABLE BACKBONE SYSTEM. USING
THAT SYSTEM FOR THE PRIMARY LINK BETWEEN THE
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MAJOR CITIES, SAUDI ARABIA STILL NEEDS A NEW ALL-PENINSULAR CAPABILITY

TO REACH THE 10,000 PLACES OF HABITATION (PROBABLY LESS THAN 500
OF SUFFICIENT SIGNIFICANCE FOR IMMEDIATE MODERN COMMUNICATIONS).
THIS SHOULD INCLUDE TELEPHONE AND TELEVISION CAPABILITY AND PROBABLY
MILITARY COMMUNICATIONS. DOMESTIC SATELLITE STUDY SUB-GROUP MIGHT BE

IDEAL VEHICLE TO EXPLORE AND MOVE SUBJECT SAG TOWARDS DECISIONS.

2. NAZER CLAIMS HIS ROLE AS COORDINATING LINK BETWEEN
ALL MINISTRIES AND THREE-MAN MINISTERIAL PLANNING COMMISSION,
WHICH INCLUDES SELF, MINSTATE FOR PERSONNEL,
QURAYSHI, AND DEPMIN FINANCE, ABAL KHAYL, WILL FACILITATE
OPERATIONS OF WORKING GROUPS ACCORDING TO NAZER. (THIS
MAY BE ATTEMPT BY NAZER

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